

INSTRUCTIONS FOR PREPARING THE EMPLOYER'S ANNUAL RECONCILIATION OF WISCONSIN INCOME TAX WITHHELD FROM WAGES

New **FILE YOUR WT-7 AND W-2s ELECTRONICALLY** at <http://www.dor.state.wi.us/html/with.html>.

- It is quick, easy, and safe.
- You receive a confirmation that the department received your WT-7.
- You can even pay amounts due electronically.
- Filing electronically saves the department time and money.

New The format of the WT-7 has changed slightly for 2005. The changes include:

- Two new address change check box in the upper right corner of the form.
- Two new fields for department use at the bottom of the form.

IMPORTANT

Employers and preparers must continue to use the 7-digit Wisconsin Employer Identification Number on W-2 forms. Do not use the 15-digit Integrated Tax System (ITS) number.

WHO MUST FILE A RECONCILIATION

Every employer who has withheld Wisconsin income tax from wages and every employer who is registered with an active Wisconsin Employer Identification Number must file an Employer's Annual Reconciliation of Wisconsin Income Tax (Form WT-7) and employee wage and tax statements (Forms W-2, 1099R and W-2G).

DUE DATE

Active employers must file a reconciliation with copies of employees' wage statements on or before January 31 of the year following the year covered by the reconciliation. **Please note that the due date for Wisconsin is earlier than the federal due date for similar reports.**

Employers who have discontinued business must file a reconciliation and wage statements within 30 days after discontinuing business. The reconciliation should be marked: FINAL RECONCILIATION – BUSINESS DISCONTINUED.

Employers who no longer have any employees subject to withholding must file a reconciliation and wage statements within 30 days after discontinuing withholding if account inactivation is requested, or by January 31 as set forth above, if the employer desires to keep the account active.

EXTENSION OF DUE DATE

Upon request by an employer, the department may grant an extension of 30 days in which to file the reconciliation and wage statements. No extension can be granted to extend the time for depositing withheld amounts. Extensions must be requested in writing to the Wisconsin Department of Revenue, Mail Stop 5-77, PO Box 8949, Madison, WI 53708-8949 on or before the due date of the Form WT-7.

REVIEWING THE RECONCILIATION

When you receive your preprinted reconciliation form, please examine the account information. **If any of the information is incorrect, please check the box in the upper right of the form that applies to the change.** On the front of the WT-7 Form, line through the incorrect information and enter the correct information. If changes in your business required you to obtain a new Federal Employer Identification Number, you may also need to obtain a new Wisconsin Employer Identification Number. Please contact the Department of Revenue (608) 266-2776 for further assistance.

If you do not receive your pre-printed, Form WT-7, you may use the electronic fill-in form available on our website at www.dor.state.wi.us/forms/with/index.html or use our new electronic filing options for Form WT-7. It is important to use either the preprinted Form WT-7, the electronic fill-in form or the new electronic filing options since the Department of Revenue uses electronic processing for Form WT-7.

PREPARING WAGE STATEMENTS

The Department of Revenue is requesting that employers NOT use carbon copied W-2 forms including NCR. Carbon and NCR copied W-2 forms do not scan well. The preferred format for a W-2 is the IRS approved format visible on the IRS web page: www.irs.gov.

All wage statement copies, including those sent to employees, need to:

1. Be legible
2. Bear the Wisconsin employer identification number
3. Include the amount of Wisconsin tax withheld
4. List the state of withholding as Wisconsin
5. List the employer's name
6. List the name and social security number of the employee.

DO NOT alter a wage statement in any way.

SEVERE PENALTIES MAY BE IMPOSED FOR FAILURE TO WITHHOLD, ACCOUNT FOR, OR PAY OVER WISCONSIN WITHHOLDING TAX.

WHAT MUST ACCOMPANY THE RECONCILIATION

Be sure to enclose copies of the wage and tax statements (Form W-2) for each employee you have paid wages, salaries, bonuses and/or commissions. Also include information returns (Forms 1099R and W-2G) for each payee from whom you withheld Wisconsin income tax from annuities, pensions, retirement pay or other nonwage compensation. An adding machine tape or other listing of the amounts withheld as shown on the wage and tax statements and/or information returns should be included as well for wage statements submitted in paper format. Trim all W-2 forms and other information returns to the original size.

COMPLETING THE RECONCILIATION

Complete reconciliation form and prepare your wage statements as explained on this instruction sheet. Sign and date your reconciliation and mail with the necessary enclosures to: Wisconsin Department of Revenue.

IF NO TAX DUE – PO BOX 8920
MADISON, WI 53708-8920

IF REFUND OR TAX DUE – PO BOX 8981
MADISON, WI 53708-8981

Please type, or print legibly. Use decimal points and cents. For example the correct way to write one dollar is 1.00.

HOW TO CORRECT ERRORS ON A SUBMITTED RECONCILIATION

If an error was made on a filed reconciliation, file another reconciliation with the correct information, and check the amended box on the form. Enclose an explanation of the reason for the change. If errors were made on wage statements file corrected statements for only those containing errors. Write "Corrected by Employer" on the W-2 and **enclose an explanation of the changes made**. Mail the corrected forms to:

Wisconsin Department of Revenue
Mail Stop 3-14
PO Box 8981
Madison, WI 53708-8981

If it is necessary to correct any wage statements, be sure to furnish corrected copies of the statements to the employees involved and advise them to file the corrected copies with their income tax returns.

MAGNETIC MEDIA AND ELECTRONIC FILING REQUIREMENTS

Wage statements or information/returns are required to be filed on magnetic media with the Wisconsin Department of Revenue if:

1. Wage or income reported on wage statements or information returns are required to be reported to Wisconsin, and
2. The number of wage statements or information returns required to be filed with Wisconsin is **250** or more, and
3. The payor does not participate in Combined Federal/State Filing Program for forms 1099 and

4. A waiver has not been granted by the Wisconsin Department of Revenue.

To obtain information concerning Wisconsin magnetic filing requirements and specifications call (608) 267-3327 or write:

Wisconsin Department of Revenue
Data Center Magnetic Media Coordinator
Mail Stop 4-163
PO Box 8903
Madison, WI 53708-8903

Filing wage and tax statements or information/returns on magnetic media does not relieve you from having to file Form WT-7. Mail WT-7 with the magnetic media to one of the addresses above.

LINE INSTRUCTIONS

LINE 1 Enter the total number of wage and tax statements (W-2's, 1099R's and W-2G's) enclosed with this reconciliation or reported on magnetic media. Please check the appropriate box.

LINE 2 Enter the total amount of Wisconsin income tax withheld from wages as shown on the W-2, 1099R and W-2G statements accompanying this reconciliation or reported on magnetic media. *If the wage statements are submitted in paper format, an adding machine tape listing the amount of Wisconsin tax withheld on each W-2 should be included with the WT-7.*

LINE 3 Enter the amount of Wisconsin income tax withheld as shown on your payroll records. Show the four quarters on lines 3A, 3B, 3C, and 3D respectively, and the total on line 3E. DO NOT include amounts withheld for payment (garnishment/certification) of an employee's DELINQUENT taxes. See *Wisconsin Employer's Withholding Tax Guide*, (Publication 166).

LINE 4 Enter the amount shown on line 2 or line 3E. If lines 2 and 3E are not equal, enter the larger of the two amounts.

LINE 5 Enter the total amount of withholding tax reported on deposit reports (Form WT-6 or EFT records) for the calendar year covered by the reconciliation. If you file on an annual basis, enter zero (0) and remit withheld amounts with this reconciliation. DO NOT include amounts withheld for payment (garnishment/certification) of an employee's DELINQUENT taxes.

LINE 6 If total tax withheld (line 4) is more than total tax paid (line 5), enter the amount of TAX DUE on this line. Pay in full with this reconciliation to the Wisconsin Department of Revenue.

LINE 7 If the total tax paid (line 5) is more than total tax withheld (line 4), enter the OVERPAID amount on this line. DO NOT take credit for the overpayment on subsequent deposit reports. The overpayment will be refunded to you upon verification.